

[Date]

[Applicant Name]

[Applicant Address]

[City, State, Zip Code]

Subject: Loan Application Status - [Application Number]

Dear [Applicant Name],

Thank you for your recent application for an auto loan with [Financial Institution Name]. We have carefully reviewed your request for financing regarding the [Year, Make, and Model of Vehicle].

Regrettably, we are unable to approve your loan request at this time. Our decision was based on the following reason(s):

- **Inadequate Vehicle Equity:** The requested loan amount exceeds our maximum allowable loan-to-value (LTV) ratio. The current market value of the vehicle is insufficient to secure the total amount of the requested loan.

Our lending guidelines require a specific margin of equity to protect the interests of both the lender and the borrower. Because the purchase price or loan balance is significantly higher than the appraised value or book value of the vehicle, we cannot proceed with the current terms.

We may be able to reconsider your application if:

- A larger down payment is provided to reduce the loan amount.
- A different vehicle with a lower purchase price is selected.

If you have any questions regarding this decision, please contact our loan processing department at [Phone Number].

Sincerely,

[Name of Loan Officer/Department]

[Financial Institution Name]